

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.3439 Insurance with other insurers; allowable provisions; report to legislature.

Sec. 3439. (1) There may be a provision as follows:

Insurance with other insurers: Benefits payable by this policy may be limited if there is other valid coverage not with this insurer that provides benefits for the same loss on an expense-incurred basis. If this insurer is not given written notice on the application for this coverage that other valid coverage exists, or if other coverage is acquired after the effective date of this coverage, the only liability under any expense-incurred coverage of this policy shall be the amount of the covered claim that exceeds the benefits payable by the other coverage. Benefits paid or payable by a primary insurer shall be applied to satisfy any deductibles, coinsurance, and copayments with this policy. Payments made by a primary insurer shall not be applied to reduce the policy maximum limits on this policy. "Other coverage" includes any plan that provides coverage under an expense-incurred hospital, medical, surgical, or sick care insurance policy or certificate, hospital or medical service subscriber contract, medical practice or other prepayment plan, or other expense-incurred plan or program. "Other coverage" does not include medicaid, hospital daily indemnity plans, specified disease only policies, or limited occurrence policies that provide only for intensive care or coronary care at a hospital, first aid outpatient medical expenses resulting from accidents, or specified accidents such as travel accidents. If there is more than 1 policy covering the same loss and the other policy has a provision similar to this provision and liability of this insurer is not determined pursuant to the foregoing provisions, each insurer shall pay an equal share of the covered expenses for the claim. This policy is secondary to workers' compensation coverages, automobile personal protection benefit plans that do not have a coordination of benefits provision, and medicare as permitted by federal law.

(2) The commissioner shall report to the legislature 1 year and 2 years after the effective date of this section on what, if any, cost savings have accrued to policyholders and insurers by the implementation of this section.

History: Add. 1990, Act 350, Imd. Eff. Dec. 26, 1990.

Popular name: Act 218